

FISCAL YEAR 2007-08 BUDGET PLAN

I. EXECUTIVE SUMMARY

A. Agency Section/Code/Name: **5KE/H37/USC LANCASTER**

B. Statewide Mission:

The mission of USC Lancaster (USCL) is to:

Provide a superior and affordable university education for the citizens of Lancaster, Chester, Chesterfield, Fairfield, Kershaw and York counties. USCL provides this education through superior faculty, scholarship, research, and engaged public service designed to stimulate the intellectual and cultural interests of students and the regional community.

USCL grants associate degrees in the arts, sciences, business, criminal justice, and technical nursing. Limited upper-division course work creditable toward baccalaureate degrees is also available to students.

C. Summary Description of Strategic or Long-Term Goals: **The full text of USCL's Strategic goals may be accessed at:**
<http://usclancaster.sc.edu/planning/2004%20Final%20Version.doc>

- 1. Enhance academic excellence. USCL will recruit better prepared students and emphasize use of campus resources such as the Academic Success Center to improve student success rates. USCL will improve classroom instruction through greater utilization of traditional and multi-media technology. New full-time faculty positions will be established for those academic programs deemed highest priority needs. An expanded base of adjunct faculty will also strengthen USCL's academic excellence, along with expanded course offerings and research capabilities.**
- 2. Enhance the fiscal strength of USCL. Expenditures will be monitored and controlled to maximize the return on every dollar spent at USCL. The Dean will continue to work closely with the Lancaster County Commission on Higher Education and the legislative delegation in order to promote greater understanding of USCL accomplishments, goals and vision. The development officer will seek new sources of community support to USCL and work with the Educational Foundation of USCL to establish a permanent unrestricted endowment fund. USCL will seek to increase grant funding.**
- 3. Enhance academic and student support services. USCL's Hiring Priority Committee will focus attention on academic and student support services programs to ensure sufficient resources are available to achieve goals and objectives.**

Academic divisions will encourage interaction between faculty and students outside the classroom to ensure students are able to discuss course progress. On-campus cultural events will be offered by academic divisions. USCL will continue to upgrade campus technology resources and Medford Library will promote awareness of electronic databases. Distance learning programs will be expanded. The professional development of staff will be encouraged.

4. **Enhance the physical plant.** USCL will address campus modernization and beautification needs. These changes will be implemented in order to achieve several objectives. USCL's first priority is to maximize the usefulness of existing facilities. Second, modernization of facilities and campus beautification will improve recruitment and retention of students, faculty and staff. Third, space utilization will be reviewed to eliminate inefficiencies. Renovations to the physical plant will also translate into cost savings through lower total energy consumption within existing buildings. Lower energy consumption will demonstrate to students and the community our commitment to environmental awareness and action.
5. **Enhance campus-community partnerships.** USCL is a major contributor to the quality of life in Lancaster and surrounding counties. To further that community focus, USCL will sponsor on-campus cultural events that will be of interest to the regional community. Those events will include writing, theater, music, arts, history and athletic programs, among others. Community Advisory Boards will be used to ensure community needs are met with regards to Medford Library, Gregory Health and Wellness Center, Educational Foundation of USCL, Diabetes Education and the TRIO programs.

- D. USCL's requests for additional operating funds for FY 2007 – 2008 include mission-critical new faculty hires, recurring funding for new faculty hired with non-recurring funds and instructional equipment. The campus must replace retiring faculty in order to meet the demands of the service region. The first priority request is for salary funding that will permit USCL to retain the new faculty hired for the 2006-2007 academic year. The second request is funding to hire an additional 7 tenure-track faculty. The third request is for educational equipment.**

Summary of Operating Budget Priorities for FY 2007-08:		FUNDING					FTEs			
		State Non- Recurring	State Recurring	Federal	Other	Total	State	Fed.	Other	Total
Priority No.: 1	Title: Parity Funding Continuation – New Faculty Retention	0	650,000	0	0	\$650,000	0	0	0	0.00

Summary of Operating Budget Priorities for FY 2007-08:		FUNDING					FTEs			
		State Non- Recurring	State Recurring	Federal	Other	Total	State	Fed.	Other	Total
Strategic Goal No.: 1 Enhance Academic Excellence Activity Number & Name: 520 Instruction: Arts and Sciences										
Priority No.: 2	Title: Sustained Academic Excellence	0	211,309	0	0	\$211,309				
Strategic Goal No. 1 Enhance Academic Excellence Activity Number & Name: 520 Instruction: Arts and Sciences										
TOTAL OF ALL PRIORITIES		\$ 0	\$861,309	\$ 0	\$ 0	\$861,309	0.00	0.00	0.00	0.00

E. Agency Recurring Base Appropriation:

State \$ 2,470,254

Federal \$ 1,417,197

Other \$ 8,165,820

F. Efficiency Measures: **Degrees awarded 2004-05 by USCL 121. Degrees awarded by all Regional Campuses 2004-05: 345. USCL awarded 35% of all degrees from Regional Campuses. S. C. Commission on H. E. Performance Funding Rating for 2004-05: Achieves -- 2.47 out of 3.00 (82%). (This is the last year that the South Carolina Commission on Higher Education provided this data.)**

G.

Summary of Capital Budget Priorities:			Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Priority No.: 1	Project Name: Campus Renovations Activity Number & Name: 525 Operations and Maintenance	Project No*:	\$4,110,000	0	0	\$4,110,000
TOTAL OF ALL CAPITAL BUDGET PRIORITIES			\$4,110,000	\$ 0	\$ 0	\$4,110,000

* If applicable

H. Number of Proviso Changes: **None**

I. Signature/Agency Contacts/Telephone Numbers:

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(803) 777-7481

Leslie G. Brunelli
Budget Director
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II. DETAILED JUSTIFICATION FOR FY 2007-08 OPERATING BUDGET PRIORITIES

A. Agency Section/Code/Name: **5KE/H37/USC LANCASTER**

B. Priority No. **__1_ of __2_**

C. (1) Title: **Continue Parity Funding**

(2) Summary Description: **New Faculty Retention. This request is for recurring state funds to retain 5 tenure-track newly hired faculty for the 2006-2007 academic year. These new faculty positions are currently funded with non-recurring MRR – parity funds. Because of significant increases in enrollment and retirement of other faculty, it is imperative that USCL be able to retain the very talented faculty recently recruited.**

(3) Strategic Goal/Action Plan (*if applicable*): **Strategic Goal No. 1 – Enhance academic excellence**

D. Budget Program Number and Name: **10010100 Education and General Unrestricted**

E. Agency Activity Number and Name: **520 Instruction: Arts and Sciences**

F. Detailed Justification for Funding

(1) Justification for Funding Increase:

In Fall 2000, USC Lancaster had an official enrollment of 837 (headcount) and 545 (FTE). Since that time, the campus has experienced continual growth in the number of students served. In Fall 2005, the campus reported an official enrollment of 1,084 (headcount) and 748 (FTE), an increase of 29.5% and 37.2%, respectively, since 2000. Despite the increase in student enrollment, the number of full-time faculty remained fairly stable. The increased demand for instructional staff is being met by hiring additional adjuncts and by asking full-time faculty to teach overload courses each semester.

Beginning in 2005, however, USCL began to experience a substantial departure of full-time faculty due to retirement and TERI. To recruit and retain quality faculty, some instructional equipment may need upgrading or replacement with newer technology. In order for USC Lancaster to meet the growing demands of its service region, it is imperative that faculty salary funding levels be maintained.

(2)

FY 2007-08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					
(b) Personal Service		341,500			\$341,500
(c) Employer Contributions		96,000			\$96,000
Program/Case Services					\$ 0
Pass-Through Funds					\$ 0
Other Operating Expenses		212,500			\$212,500
Total	\$ 0	\$650,000	\$ 0	\$ 0	\$650,000
<i>* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State	\$ 2,540,897
Federal	\$ 1,417,197
Other	\$ 7,983,553

(4) Is this priority associated with a Capital Budget Priority? **No** If yes, state Capital Budget Priority Number and Project Name: _____.

G. Detailed Justification for FTEs

(1) Justification for New FTEs

(a) Justification:

(b) Future Impact on Operating Expenses or Facility Requirements:

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
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Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

(3) FTEs in Program Area per FY 2006-07 Appropriation Act:

State 26.66
Federal 3.00
Other 35.37

Agency-wide Vacant FTEs as of July 31, 2006: 4.7800

% Vacant 7.3505%

H. Other Comments:

The University of South Carolina system experienced the lowest tuition increase in several years, due largely to the support of the General Assembly by funding of the parity issue. If funding of higher education is reduced, the University's Board of Trustees as well as the governing boards of other institutions will be forced to consider a tuition increase to support operations.

A. Agency Section/Code/Name: **5KE/H37/USC LANCASTER**

B. Priority No. **__2_ of __2_**

C. (1) Title: **Sustained Academic Excellence**

(2) Summary Description: **This request is for recurring state funds to hire new faculty beginning with the 2007-2008 academic year. The initiative directly supports the CHE priority of Investment in Quality Outcomes. Without confidence in the ability to receive adequate state funding for higher education, long-range planning cannot be developed for sustained quality programs of higher education.**

(3) Strategic Goal/Action Plan (*if applicable*): **Strategic Goal No. 1 – Enhance Academic Excellence**

D. Budget Program Number and Name: **10010100 Education and General Unrestricted**

E. Agency Activity Number and Name: **520 Instruction: Arts and Sciences**

F. Detailed Justification for Funding

(1) Justification for Funding Increase:

Beginning in 2005, however, USCL began to experience a substantial departure of full-time faculty due to retirement and TERI.

In Fall 2000, USC Lancaster had an official enrollment of 837 (headcount) and 545 (FTE). Since that time, the campus has experienced continual growth in the number of students served. In Fall 2005, the campus reported an official enrollment of 1,084 (headcount) and 748 (FTE), an increase of 29.5% and 37.2%, respectively, since 2000. Despite the increase in student enrollment, the number of full-time faculty remained fairly stable. The increased demand for instructional staff was met by the hiring of additional adjuncts and also by asking full-time faculty to teach overload courses each semester.

(2)

FY 2007-08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					0

(b) Personal Service		165,000			\$165,000
(c) Employer Contributions		46,309			\$46,309
Program/Case Services					\$ 0
Pass-Through Funds					\$ 0
Other Operating Expenses					\$ 0
Total	\$ 0	\$211,309	\$ 0	\$ 0	\$211,309
<i>* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State \$ **2,470,254**

Federal \$ **1,417,197**

Other \$ **8,165,820**

(4) Is this priority associated with a Capital Budget Priority? **No** If yes, state Capital Budget Priority Number and Project Name: _____.

G. Detailed Justification for FTEs

(2) Justification for New FTEs

(a) Justification

(b) Future Impact on Operating Expenses or Facility Requirements:

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

(3) FTEs in Program Area per FY 2006-07 Appropriation Act:

State 26.66
Federal 3.00
Other 35.37

Agency-wide Vacant FTEs as of July 31, 2006: 4.7800
% Vacant 7.3505%

H. Other Comments:

The University of South Carolina strongly supports the South Carolina Commission on Higher Education's number one priority of increased investment in quality outcomes for higher education by increasing the recurring operating funds by \$45 million for all institutions. As institutions strive to meet the demands of a technologically driven society, recurring funding for operations will assist institutions in meeting these challenges and keep tuition increases to a minimum.

III. DETAILED JUSTIFICATION FOR CAPITAL BUDGET PRIORITIES

- A. Agency Section/Code/Name: **5KE/H37/USC LANCASTER**
- B. Priority No. **_1_** of **_1_**
- C. Strategic Goal/Action Plan (*if applicable*): **Goal 4 – Enhance the physical plant. USCL will address campus modernization and beautification needs. These changes will be implemented in order to achieve several objectives. USCL’s first priority is to maximize the usefulness of existing facilities. Second, modernization of facilities and campus beautification will improve recruitment and retention of students, faculty and staff. Third, space utilization will be reviewed to eliminate inefficiencies. Renovations to the physical plant will also translate into cost savings through lower total energy consumption within existing buildings. Lower energy consumption will demonstrate to students and the community our commitment to environmental awareness and action.**
- D. Project Name and Number (*if applicable*): **Campus Renovations**
- E. Agency Activity Number and Name: **525 Operations and Maintenance**
- F. Description of Priority: **This project will correct environmental health and safety issues in approximately 107,000 square feet of academic, administrative, and program facilities. More specifically, the facilities supply classrooms, administrative offices, community health services programs, community fitness programs, an auditorium, and staff offices. The renovations encompassed by this project are permanent improvements that will bring the facilities to current health and safety standards, greatly improve energy efficiency and improve the educational environment. The buildings included in this project are Hubbard Hall, the Gregory Health and Wellness Center and the Carol Ray Dowling Health Services Building. Recommendations from an energy audit, conducted by the S. C. Energy Office, will be implemented. This work will include the replacement of HVAC systems in Hubbard Hall, the Health Services Building, and the Gregory Health and Wellness Center. Other energy conservation measures will also be provided in this project. This project will include the replacement of the pool deck and other immediate needs in the Gregory Center.**

Estimated costs and square footage:

Gregory Health and Wellness Center	\$1,825,000;	51,200 SF
Hubbard Hall	\$1,060,000;	38,192 SF
Carol Ray Dowling Health Services Building	\$1,225,000;	18,000 SF

- G. Detailed Justification for Funding

(1) Justification for Funding Priority:

This project directly supports USCL’s Strategic Goal #4 – Enhance the physical plant. It will complement other renovation projects currently in progress such as renovation of the J. P. Richards Tennis Complex, replacement of dead and decaying trees on campus, exterior and interior repairs to the Bradley Arts and Sciences Building, remodeling of the donated Carol Ray Dowling Building, and repaving of parking lots. This project is USCL’s only capital improvement request. The buildings represent 46% of the total square footage on campus. If these renovations are not fully funded and completed, the continued deterioration of the facilities may jeopardize continuation of mission-critical activities. Moreover, without adequate funding, the costs will continue to rise as further deterioration ensues. USCL does not have sufficient current resources to otherwise fund this project. The project is included in the 2006 Comprehensive Permanent Improvement Plan (CPIP). A copy of Form C3 is attached.

Hubbard Hall was constructed in 1965. Although periodic repairs and upgrades have been accomplished since then, the HVAC system has reached its expected useful life and is woefully inadequate. The building’s air quality poses a health risk. The air conditioning system does not supply adequate cooling and air circulation during hot weather. Consequently, stagnant air and mold and mildew odors are prevalent. The teaching and learning environment suffers under these conditions. A recent audit by the S. C. State Energy Office recommended significant improvements to the HVAC in order to maximize energy conservation.

The Gregory Health and Wellness Center was constructed in 1981. Since construction of the building, routine maintenance has been performed. However, as with Hubbard Hall, the HVAC system in Gregory has reached its expected useful life. The high humidity in this building is a factor of both the indoor pool and the inadequate HVAC system. Humidity has caused metal door frames and girders to rust and deteriorate. The HVAC system leaves exercise areas too warm and locker-rooms cold. The pool deck is pitted and cracked. Consequently, it has become a safety hazard due to the risk of falls. Patch-work repairs have not been successful. Past inspections by the S. C. Department of Health and Environmental Control have pointed out the Department’s serious concerns about the pool area. If left uncorrected, the university may eventually be cited for unsafe conditions, which may cause a cessation of programs. The fitness and therapy programs provided in this facility are a major public service program of USCL. There is a very high local demand for this facility. More than 1,800 local citizens have membership in the Gregory Health and Wellness Center. This project will replace the HVAC system, pool deck and other needed renovations.

The Carol Ray Dowling Health Services Building also needs replacement of the HVAC system. Moreover, it is in need of a roof and an elevator to accommodate patients.

(2)

Total Project Cost	Additional	Previously Authorized	Total Other	Project
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Estimates:	State Funds	State Funds	Fund Sources	Total
Total Project Cost*	\$4,110,000	\$0	\$0	\$ 4,110,000

* If additional annual operating costs from any source of funding are anticipated upon project completion please complete Sections H and I (Justification for Additional Future Annual Operating Costs) below.

H. Justification for First Year Additional Future Annual Operating Costs:

No additional annual operating costs are anticipated. Annual cost savings of approximately \$10,000 may be realized from increased energy efficiencies, assuming no significant changes in energy prices. If energy prices increase significantly, the renovations completed by this project will lessen the impact of those increases by virtue of lower total energy consumption.

(1) Will additional annual operating costs be absorbed into your existing budget? Yes

If not, will additional state funds be needed in the future? _____

If state funds will not be needed in the future, explain the source(s) that will be used. _____

(2) First Fiscal Year Additional Annual Operating Costs Are Anticipated: _____ Will this fiscal year require a partial or full year's operating funds? _____ If a partial year's funds are required, what portion of the year does it cover? _____

(3)

Additional Annual Operating Cost Details:	State Non-Recurring	State Recurring	Federal	Other	Total
Total Costs:					
(a) Number of FTEs					0.00
(b) Total Personnel Costs					\$ 0
(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs					\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

I. Justification for First Full Year Additional Future Annual Operating Costs (If Section H above represents a full year's operating funds, do not complete this section.)

(1) Will additional annual operating costs be absorbed into your existing budget? _____
 If not, will additional state funds be needed in the future? _____
 If state funds will not be needed in the future, explain the source(s) that will be used. _____

(2) First Full Fiscal Year Additional Annual Operating Costs Are Anticipated: _____

(3)

Additional Annual Operating Cost Details:	State Non-Recurring	State Recurring	Federal	Other	Total
Total Costs:					
(a) Number of FTEs					0.00
(b) Total Personnel Costs					\$ 0
(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs					\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

J. Other Comments:

FY 2007-08 COST SAVINGS & ACTIVITY PRIORITY ADDENDUM

I. 2% COST SAVINGS ASSESSMENT

- A. Agency Section/Code/Name: **5KE/H37/UNIVERSITY OF SOUTH CAROLINA LANCASTER**
- B. Agency Activity Number and Name:
- C. Explanation of Cost Savings Initiative: **For fiscal year 2007, the General Assembly took a significant step in funding higher education with the allocation of non-recurring funds to address parity issues as well as the funding provided for the recruitment of faculty at the research institutions. With these additional funds, the USC Board of Trustees held the FY2007 tuition increase to the lowest percentage increase in several years.**
- D. Estimate of Savings:

FY 2007-08 Cost Savings Estimates:	General	Federal	Other	Total
Personnel:				
(a) Number of FTEs				0.00
(b) Personal Service				\$ 0
(c) Employer Contributions				\$ 0
Program/Case Services				\$ 0
Pass-Through Funds				\$ 0
Other Operating Expenses				\$ 0
Total	\$ 49,405	\$ 0	\$0	\$49,405

- E. Activity Impact (*Describe the impact on the activity affected including the impact on customers and clients.*):
If the USC campuses are required to meet a “cost savings” of state appropriated funds in FY2008, a reduction in force plan will be developed and submitted to the South Carolina Office of Human Resources in compliance with regulations established by the

Budget and Control Board. The University’s Board of Trustees may consider other alternatives if a “cost savings” is implemented. The University of South Carolina system has met the challenges of increasing operating costs during a time of dwindling state funding by employing strategic cost savings and prioritization of activities.

F.

Summary of Cost Savings Initiatives for FY 2007-08:	FUNDING				FTEs			
	General	Federal	Other	Total	State	Fed.	Other	Total
Initiative Title:	0	0	0	\$ 0	0	0	0	0.00
Activity Number & Name:								
Initiative Title:	0	0	0	\$ 0	0	0	0	0.00
Activity Number & Name:								
Initiative Title:	0	0	0	\$ 0	0	0	0	0.00
Activity Number & Name:								
TOTAL OF ALL INITIATIVES	\$49,405	\$ 0	\$0	\$ 49,405	0.00	0.00	0.00	0.00

FY 2007-08 COST SAVINGS & ACTIVITY PRIORITY ADDENDUM

II. PRIORITY ASSESSMENT OF AGENCY ACTIVITIES

- A. Agency Section/Code/Name: **5KE/H37/UNIVERSITY OF SOUTH CAROLINA LANCASTER**
- B. Agency Activity Number and Name:
- C. Explanation of Lowest Priority Status: **It is a difficult, if not impossible task to identify the lowest priority activities of the University of South Carolina's campuses since each activity directly supports the mission of teaching, research and public service. The activities reported in the Agency Activity Inventory are based on expenditure classifications established by the National Association of College and University Business Officers (NACUBO) and are standard across higher education. These classifications identify all critical and necessary components of an institutions mission and are not separable. As such, we feel all of our activities are critical to fulfilling the mission of our University.**
- D. Estimate of Savings:

Estimate of Savings:	General	Federal	Supplemental	Capital Reserve	Other	Total
Personnel:						
(a) Number of FTEs	0	0	0	0	0	0.00
(b) Personal Service	0		0	0	0	\$ 0
(c) Employer Contributions	0		0	0	0	\$ 0
Program/Case Services	0	0	0	0	0	\$ 0
Pass-Through Funds	0	0	0	0	0	\$ 0
Other Operating Expenses	0	0	0	0	0	\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$0	\$ 0

- E. Activity Impact (*Describe the impact on the activity affected including the impact on customers and clients.*):
- F.

Summary of Priority Assessment of Activities	General	Federal	Supplemental	Capital Reserve	Other	Total	FTEs
Activity Number & Name:	0	0	0	0	0	\$ 0	0
Activity Number & Name:	0	0	0	0	0	\$ 0	0
Activity Number & Name:	0	0	0	0	0	\$ 0	0
Activity Number & Name:	0	0	0	0	0	\$ 0	0
Activity Number & Name:	0	0	0	0	0	\$ 0	0
TOTAL OF LOWEST PRIORITIES	\$ 0	\$0	\$ 0	\$ 0	\$0	\$ 0	0.00